Subsidy to nitrogenous fertilizers

319. 3HRI N.K. PREMACHANDRAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government allow subsidy for the nitrogenous fertilizers and the policy, if any, maintained by Government thereon;

(b) whether it is a fact that Government decontrol the production of Ammonium Sulphate to the disadvantage of FACT, while controlling the price of urea;

(c) if so, the reaction of Government thereto;

(d) whether Government would consider to include the Ammonium Sulphate produced by the FACT under subsidy scheme to compensate the loss sustained by the company; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (e) At present, only urea amongst the nitrogenous fertilizers is under statutory price and partial distribution and movement control and is eligible for subsidy/concession. Ammonium Sulphate along with other low analysis fertilizers *viz.* Calcium Ammonium Nitrate (CAN) and Ammonium Chloride (AC) remained under statutory price control and outside it on different occasions. These fertilizers were decontrolled on 25.7.1991. On the basis of recommendations of the Joint Parliamentary Committee, these fertilizers were again brought under Retention Price Scheme (RPS) *w.e.f.* 25.8.1992. However, these fertilizers were again decontrolled *w.e.f.* 10.6.1994. There is no proposal under consideration at present to bring these fertilizers under control or under the Concession Scheme for decontrolled fertilizers.

SKY rocketing of Drug Prices

320. SHRI S.S. AHLUWALIA: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government are aware that despite assurances that prices of drugs would not increase pursuant to implementation of the Patent Law, prices of several drugs and medicines in the country have been sky-rocketing;

(b) whether any review of the situation especially with a view to ascertain the reasons for such rise in the prices have been carried out;

(c) if so, the findings thereof;

(d) if not, the reasons therefor; and

(e) the steps contemplated, if any, to make drugs and medicines available to common men and the poor at reasonable prices?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM VILAS PASWAN): (a) to (e) The National Pharmaceutical Pricing Authority (NPPA) has no specific information regarding increase in prices in medicines pursuant to implementation of the Patent Law.

The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc.. The NPPA monitors the prices of medicines as per monthly Retail Audit Reports of ORG-IMS Research Pvt. Ltd. The Government takes corrective measures where the public interest is found to be adversely affected.

NPPA monitors the price movement of more than 30,000 medicines every month. As per ORG-IMS report for the month of July, 2005 prices of about 96% medicines have either remained constant or slightly reduced. The prices of only about 3% have increased (generally within a range of 5% to 10%).

The Drug Policy, as amended from time to time, is directed towards ensuring abundant availability of quality drugs at reasonable prices.